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UNITED STATES DEPARTMENT OF AGRICULTURE  
Rural Electrification Administration

September 1951

P R E S S   D I G E S T

A Sample of Newspaper Stories and Comment Regarding the  
Rural Electrification and Rural Telephone Programs

ELECTRIFICATION

PRIVATE ENTERPRISE DID THE JOB

Editorial in the  
Montpelier (Vt.) Evening Argus  
August 15, 1951

August 26 will mark the beginning of Farm Electrification Week. This week will be a testimonial to the spirit and progress of the light and power industry which pioneered rural electrification, led in the development and still leads. Today some 94 percent of all the occupied farms in America have electricity available, and the great bulk of them are using it. Last year, the cost of power amounted to only 1.29 percent of total farm income. And in the matter of cost, private enterprise, not government enterprise, does the job of serving the farm for the least money. The job of making power available to rural America is virtually complete. But, in the future, farm experts say the average farmer will consume ever-increasing amounts of power. Taxpaying free enterprise will see that he gets all he wants at the lowest possible cost.

(This has appeared in other papers and may have been distributed by the so-called "Industrial News Service.")

COMPANIES CELEBRATE, BUT . . .  
New census figures emphasize rural  
electrification job isn't completed

Public Power  
July 1951

The power companies are setting aside the week of August 26 as "Rural Electrification Week." The "Week" is being sponsored by the companies' Public Information Program. While the companies plan the "Week," REA has been getting a jolt from new census figures showing the electrification job may be further from completion than it calculated. First returns indicate that the percentage of electrified farms may be less today than was estimated by REA for June 30, 1950. The Census has tightened up its definition of a farm. REA's figures were based on a 1945 enumeration of 5,859,000 farms in the nation. The new census total is only 5,379,000. Most of the "lost" farms were electrified. They included residences around cities no longer classed as farms. Actually, REA estimates there are a million farms and non-farm rural establishments without service today. When August 26 rolls around, the chances are that REA and co-ops like the Pioneer Electric Co-op of Greenville, Alabama, will be too busy adding lines to reach new farm consumers to celebrate the "Week."



TRUMAN BELITTLES INDUSTRY'S  
'RURAL ELECTRIC WEEK'

A P dispatch in the  
Washington (DC) Post  
July 31, 1951

President Truman yesterday belittled, as a "publicity stunt," plans of the private power industry to sponsor a "rural electrification week." James G. Patton, President of the National Farmers Union, released a letter in which Mr. Truman wrote in part: "I was glad to get the information about the electric industry's forthcoming rural electrification publicity stunt. No doubt some people can be led by deception to believe the rural electrification job is now completed. Certainly, the hundreds of thousands of rural families still waiting for the blessings of electric light and power will not be."

THEIR VERY OWN

Rural Electrification  
August 1951

Two states will beat the power companies' Public Information Program sponsorship of "Rural Electrification Week" on a nationwide basis. In Ohio, the rural electrics' will dedicate the week of August 19 - 25 to "our concern over the still unserved one million rural consumers." Texas plans to proclaim August 19 - 25 as "Rural Electrification Week" in that state. Millions of Texans will hear the story of REA and the electric co-ops there before the height of the private utilities celebration.

FUTURE DEPENDS ON THE CONTINUED  
DEVOTION OF CO-OPS' RURAL LEADERSHIP

Column by Marquis Childs in  
Rural Electrification  
August 1951

When I started to write the story of how the farms of America have been electrified during the past 15 years, I was thinking of the physical achievement. The more I looked into it, the more impressed I became with the development of leadership at the grassroots of America. It is the demonstration that plain Americans can do a big job for themselves. Utility spokesmen said not merely that it could not be done but that there was no farm market to serve. The irony is that they now are trying to claim credit for doing the whole job themselves. I have just sat through a two-day meeting of the board of the NRECA, representative of thousands of men who have given time, energy and devotion to a task long ignored. They have overcome numerous obstacles including the obstructionist tactics all too often employed by the power companies. The younger generation does not know of the long struggle behind the achievement now taken for granted. Evidence is growing that the utility industry would first like to box the farm co-ops in and then take over. Unless leadership is sustained in the rising generation, this effort may succeed. If that happens, the end of the era of low cost power on the farm will be in sight.



THE DOUBLE STANDARD

Editorial in the  
Montpelier Evening Argus  
August 6, 1951

It appears that the Interior Department observes a double standard. Private industry must report on how and where every pound of restricted materials is to be used. Apparently the same rules do not apply to the REA. Recently the Interior Secretary ordered the DEPA to make a lump allocation of copper and aluminum to REA. Interior recognizes that the rural electrification job is 95 percent completed. Congress has refused a grant to the SPA to duplicate existing lines of private companies (in the southwest). To get around Congress, the REA proposes to build those lines and new power generating facilities, then lease them to SPA. Total cost of SPA and REA's "super-cooperative" scheme in the southwest would be nearly \$71 million. Requirements call for 34 3/4 million pounds of copper, 45 million pounds of steel, 30 million board feet of lumber and nearly 3 million pounds of hardware. And yet, the DEPA is ordered to make lump allocations to a public agency to build lines that will duplicate lines of private companies serving the areas.

(This same editorial has appeared in other papers; it may have been distributed by the so-called "Industrial News Service.")

EDITOR THANKS FARMER FOR LETTER IN      Rural Electric Missourian  
REPLY TO EDITORIAL ATTACK ON REA      July-August 1951

Dexter - When Bill Brannock, editor of the Dexter Messenger, wrote a column suggesting that REA is socialistic, Louis B. Mayer, Stoddard County farmer, wrote the editor: "I don't see how getting lights and power to help us farmers live better will raise a crop of Socialists." The Messenger carried Mayer's complete reply with this preface by Brannock: "I don't mind having to eat my words, but I hate to have them crammed down my throat. My recent tirade against the REA was based on what I thought were facts, only to find that the information I had been given was based on false assumption and misleading quotations. I want to thank Louie Mayer for writing, and my apologies to him and Mr. Roscoe Russell who have worked long and hard to bring REA into the south part of the country."

OPEN LETTER TO JOHN R. STEELMAN,  
ASSISTANT TO PRESIDENT TRUMAN

Advertisement in the  
Arkansas Gazette  
July 8, 1951

We feel it our duty to correct erroneous statements you made at Fayetteville on June 29th before a meeting of the Ozarks Rural Electric Cooperative Co-op which we feel will retard the progress of the State of Arkansas.

We do not oppose rural electric co-ops generating their own power to serve their own territory. Here three local electric co-ops propose to borrow \$10 1/2 million to build a power plant and transmission lines for the SPA.



Our company has for years promoted rural electrification and has consistently supported the co-ops. We have recently offered the co-ops a ten-year contract that would give these particular co-ops a saving of over \$100,000 a year under the proposed SPA rate.

We have never attempted to hamstring the efforts of the SPA in marketing in any proper manner the power from these federal hydro projects. We do oppose SPA's efforts to construct, with tax funds appropriated for rural electrification, a far-flung and competing government power system throughout the Southwest.

You say, "...It's competition like this that has helped to develop American enterprise."

Government in competition with private enterprise never built any Democracy.

You state, "Arkansas had been considered as a site for that war plant. It was rejected because of inadequate low cost power."

No industry was ever refused power in Arkansas.

BOARD OF DIRECTORS  
ARKANSAS POWER & LIGHT COMPANY

Editorial in the  
FOLLOW THESE GUIDES FOR FUTURE ACTION Electrical World  
June 18, 1951

Presented are the more important recommendations submitted at the Annual Meeting of the Edison Electrical Institute: "You gentlemen are out in front--in the combat area--in the struggle to keep our government out of business.\*\*\*\*\*You have opportunities every day to advance the cause of freedom amongst your associates in business, amongst your employees.\*\*\*\*...the big job ahead of us in the rural areas is to make electricity do still more for the farmer...Rural electrification is one of our big responsibilities and one of our big opportunities to serve America."

CO-OP ELECTRICITY AIDING DEFENSE

Illinois REA News  
Springfield, Illinois  
July 1951

Fluorspar mining and milling in Hardin County is one of the important defense industries of the country. Adequate power has always been a problem in the development of this area. In 1939 and 1940, the Southeastern Illinois Electric Cooperative built lines into the area to serve rural users. During the war, the co-op made limited service available to the mines. In 1949, a 28½ mile 69,000-volt transmission line, was started to care for the rapid growth of farm electric users and also to handle anticipated power needs of the fluorspar industry. When completed the co-op extended service to the Ozark-Mahoney milling plant at Rosiclare, one of the largest such concerns in the country. Early this year, the co-op negotiated to serve all of the large mines in addition to the Ozark company. Manager Clevenger of Southeastern said the added load will



not only pay for the high voltage line but will increase the quality of service to rural users. Because the loads in the area are industrial, farm and municipal, the co-op can purchase power at the lowest possible rate and realize a greater operating margin. The General Superintendent declared that without a dependable power source, the industry would be hindered in operations.

ELECTRIC UTILITY ALLOWED TO  
COMPETE WITH CO-OPERATIVE

Public Utilities Fortnightly  
June 21, 1951

The North Dakota Commission refused to prohibit an electric utility from constructing and operating a substation on its existing transmission line to serve a new customer. A rural electric co-op association had objected on the ground that the line would duplicate a section of its line and be used to serve a customer being served by the co-op. The Commission held that a co-op does not have exclusive right to furnish electric service in a particular area, especially since it is not required to obtain a certificate. A co-op is restricted by law to serving its members. If a prospective electric user could not qualify for membership, or chose not to become a member or if membership was available only on what he considered burdensome terms, he should have the right to obtain service from an alternative source. Commission President Nelson dissented, saying that private utilities not only had failed but also had refused to serve scarcely populated areas. He was of the opinion that there should be a positive refusal or inability on the part of the co-op to serve a new customer before an electric utility could encroach. He said the Commission is under an equal duty to protect rural electric co-ops as well as electric utilities.

PUBLIC POWER'S REVOLVING DOOR  
TO THE U. S. TREASURY

By Frank M. Wilkes, Pres.,  
Southwestern Gas & Electric Company  
Public Utilities Fortnightly  
June 7, 1951

Ten reasons why REA should not finance SWPA super co-ops:

1. Purpose of loans by REA to super co-op is not to serve persons in rural areas.
2. REA is lending to another governmental agency without authority of law.
3. Loans provide SWPA with fuel-burning electric generating plants and transmission without congressional control.
4. SWPA obtains steam plant facilities and transmission lines which Congress has denied in the past.
5. Contracts between REA and SWPA, enable SWPA to make, carry and sell fuel-generated electricity without intent of Congress which favored contracts with private companies to distribute SWPA hydro power.
6. REA funds would be used for developing competition with electric companies in area.
7. REA funds, put into super co-ops where rural people have adequate service, could be put to better use.



8. The facilities planned by the super co-ops would almost completely blanket area of operation of electric companies, forcing them to struggle against tax-free competitor.
9. Large segment of the REA program would come under control of another Federal agency: Interior.
10. These contracts permit SWPA to extend its power system beyond its defined borders.

AEC BACKS EFFORT FOR ATOMIC  
PRODUCTION OF ELECTRIC ENERGY

New York Times  
July 26, 1951

The Union Electric Company of Missouri, and the Monsanto Chemical Company, have entered into an agreement with the Atomic Energy Commission to conduct exhaustive research into the feasibility of using atomic energy for the production of electric power. If successful, the study may lead to the design of a privately owned plant which would make plutonium for the government and utilize the heat created to produce electric power for private use. Union Electric and Monsanto will bear the cost of the study which is expected to take upwards of a year. The AEC will make available information it possesses on the construction and operation of nuclear reactors.

OLD DOMINION CO-OP AND VESCO END  
FIGHT OVER \$16 MILLION REA LOAN

AP dispatch from Richmond in  
Washington Star  
July 12, 1951

Old Dominion Electric Cooperative and the Virginia Electric & Power Company have filed with the State Corporation an agreement ending, for the present, a legal battle over a \$16 million federal loan sought by the co-op. The supercooperative agrees to get dismissal of its appeal now before the Virginia Supreme Court from a decision of the SCC. The commission denied the co-op authority to accept the REA loan which Old Dominion sought to construct a steam generating plant at Warminster and to build transmission lines to supply power to its member co-ops. VESCO opposed the request. VESCO will furnish the member co-ops power at a rate of 7.5 mills per kwh under the one-year agreement. The co-ops now pay VESCO a wholesale rate of 10 mills per kwh.

200 REA CO-OPS FORM SOUTHEAST POWER GROUP

Electrical World  
July 23, 1951

Representatives of nearly 200 rural electric cooperatives in eight states organized the Southeast Power Committee at a recent meeting in Columbia, South Carolina. The 53 delegates came from Georgia, South Carolina, North Carolina, Florida, Alabama, Kentucky, Mississippi and Virginia. Next month another meeting will be held in Columbia to set up a permanent organization and plan activities. Five representatives from each state are expected to attend.



REA EXPANDS SERVICE, ADDS  
238,000 CONSUMERS IN YEAR

Washington (IC) UP dispatch in  
St. Louis Post Dispatch  
August 9, 1951

The Rural Electrification Administration reported yesterday that it brought electricity to 238,000 more rural consumers during the year ending June 30. The report said that 3,540,000 consumers now are served by REA-financed power, but about 750,000 farms still are without electricity.

### TELEPHONES

"MA AND PA" RUN TELEPHONE SERVICE.- By Edward T. Martin  
Boston Post Magazine  
July 29, 1951

Granby --Plunked in the middle of the dining room in the Alston Mugnier home is a "new" second-hand switchboard. Mr. Mugnier, owner of the Granby Telephone and Telegraph Company, says this is only temporary. "We have the land bought\*\*\*to erect a new exchange," he added. The exchange shuts down from midnight to 7 but son Paul, high school student, sleeps on a cot in the phone office and is available for emergency calls. Another son is a qualified lineman while daughter Mary Joanna, 13, delivers telegrams on her bicycle. His wife, Mugnier explains, in addition to handling the bookkeeping, billing, and listening to complaints, cooks and keeps house. As the phone company grows, the Mugnier family enlists additional employees. The neighborhood phone girls choose their own working hours. Granby is listed as one of the 10 fastest-growing small towns in Massachusetts. The "dad and mom" company is turning into a full-time utility. Recently Mugnier got a \$40,000 REA loan to replace old equipment and extend service. A second, and much larger loan, is being sought to pay for conversion to dial.

HAILS INDEPENDENT TELEPHONY

Telephony  
July 21, 1951

(Remarks by Ray Dalton, President of the U. S. Independent Telephone Association at the 32nd annual convention of the California Independent Telephone Association on June 7 and 8:) Telephony is a private enterprise in the United States today because the small entrepreneurs fought to maintain their independence. A big country must have a big government. Unfortunately, our government has become not only bigger and bigger, but less and less efficient. This enormous growth of government is not a natural growth. It is a purpose dedicated to the destruction of our republican democracy, and comes in many guises. The easiest to deal with is Communism as such. A far worse menace is Socialism. Our effective socialists are not members of that party. They call themselves Social Planners or 'Reformers' with a yen for a planned economy. We must fight the 'isms' and the proponents of the destructive collectivisms.



RTA ANSWER TO OLD PLEA

Editorial in the  
Sun-Democrat  
Paducah, Kentucky  
July 19, 1951

The Rural Telephone Authority seems to be the answer to the long-standing plea of rural people for telephone service. RTA provides for loans to cooperatives for rural telephone systems to be repaid out of revenue from subscribers. The Ballard County Rural Telephone Cooperative, for example, was granted a loan this week by REA. If RTA works with the success of REA - which brought lights and power to farm homes all over this area and other areas of the United States, - the telephone service future is very bright for rural community dwellers.

RURAL TELEPHONES: Co-op Activity

Telephone Engineer  
June 1, 1951

With stepped-up pace on telephone loan allocations, comes an increase in announcements of new phone co-ops. The co-op movement may be found spreading North, East, South and West. One characteristic is its close alliance with rural electric co-ops. REA representatives from Washington, D. C. are taking messages on the loan program straight to interested farm groups. Perennial question asked is: How much will service cost? Answers vary, \$3.50, \$4.00. REA says: It will depend on the kind of phones you want, the size and density of the system, how you finance your local equity, etc. Farmers have learned it is not good to pay so little for service that there is no money left for maintenance. That situation is largely responsible for the decline in farms with phones from 1920 until the mid-1940's. Farm people can expect to pay about the same rates as the urban people in their area. The farm telephone cuts down on danger from fire, illness, accidents, and saves time and crops.

LONG LIFE AHEAD

Letter from William F. Miller, Secy-Treas. of  
Iowa Independent Telephone Assn., to  
Telephone Engineer & Management  
July 1951

I feel the bulk of the members of Congress was sincere in its desire to do something for rural telephone service. The wide gap between the intent of Congress and the actual implementation of the telephone amendment to the REA Act are about as far apart as the two poles. In frank discussions with companies which need capital to modernize and expand, we have found they shy away from so-called government "help." To modernize and expand the telephone exchange in the average small community in Iowa, requires that the community get together. Once the idea is sold, it is no great feat to raise from \$125 to \$250 per station to go ahead and do a good job. That money is available right in the community. It simply requires patience and cultivation of community-wide desire to go ahead. Once that is done, all the necessary capital can be found right at home. The choice of a tax-exempt co-op type of organization is more the exception than the rule.



## RURAL ITEMS

Telephone Engineer  
August 1, 1951

Candler County (Georgia) farmers met at the Metter courthouse, listened to offer of Southeastern Georgia Telephone Company to provide rural service and turned it down. Reason: Amount Southeastern wanted to charge for building the lines and installing the phones was too high. After turning down the telephone company proposal, the group appointed a committee to investigate possibility of securing rural telephone loan from REA.

## SENATE PASSES NEW REA PHONE BILL

Public Utilities Fortnightly  
July 19, 1951

The Alabama state senate passed late last month without a dissenting vote a new rural telephone bill which aims at tying in with a national act permitting the REA to make loans for rural telephone co-ops. As worked out by representatives of telephone companies and the REA, the bill provides that co-ops can come in rural areas and municipalities of up to 1,500 population. There is a provision that they cannot duplicate existing telephone facilities but are allowed to make agreements for connections with established telephone systems.

## PROFESSIONAL SERVICES

Classified Advertisements in  
Telephone Engineer  
August 1, 1951

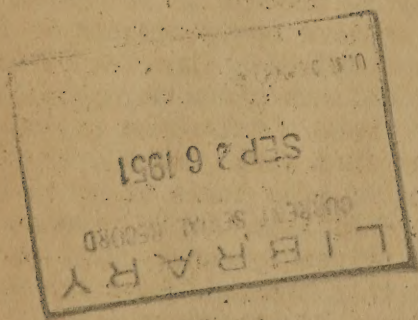
Two firms offer their services as consulting engineers "experienced in REA procedures, preallotment survey, system design and construction."

## GOVERNOR SIGNS PHONE BILL

Wisconsin REA News  
July 1951

The rural telephone bill was signed by Gov. Walter J. Kohler, Jr., on June 14. This new law removes the jurisdiction of the Public Service Commission to regulate financial arrangements between telephone utilities and the REA. The PSC has traditionally required an "owner's equity" of roughly 50 percent in telephone utility financing. This rule would require co-op members to subscribe up to \$150 or more apiece for commission approval of an REA loan to the co-op. Farm leaders believe phone co-ops would be unable to secure enough members to make a telephone project possible if that amount were required from each farmer. The REA has announced that it will be willing to make loans of up to 90 percent of the cost of the telephone facilities to be financed. A number of loans both to co-ops and privately-owned rural phone systems have been approved by REA in this state. Under the new law, PSC approval of the loans will not be necessary.







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October 1951

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Rural Electrification and Rural Telephone Programs

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ELECTRIFICATION

POWER REVOLUTION ON THE FARM

Article by REA Administrator, Wickard  
New York Times  
September 9, 1951

Electricity on the farm has changed farm management as radically as the Industrial Revolution changed the factory. The REA pattern is a democratic working arrangement between the people and their government. The people provide the initiative while the government provides the credit facilities. The result is decentralization of ownership and control at the grass roots.

When REA was established, it was assumed that existing utilities would welcome long-term, low-interest loans to extend their lines into rural areas. The great majority, however, were reluctant to do so. Farm groups formed themselves into new enterprises and submitted loan applications which would permit them to build and operate their own rural electric systems. REA accepted the integrity of the American farmer as loan security. In 16 years, REA has made loans amounting to more than \$2.35 billion. Out of this our loss to date is about \$40,000.

REA loan funds have created new jobs for about 30,000 people in rural communities. They have also generated considerable industrial production and employment. REA borrowers are the sole source of power for hundreds of mines, oil wells, airway beacons and radar stations. The rural electric cooperative is usually the largest enterprise in the community and frequently one of the biggest taxpayers.

There are two big assignments yet to be accomplished by these rural enterprises. The first is to extend power to the more than three-quarter million unserved farms, and the second is to assure farmers of future supply of adequate, reliable and economical power. Farmers see no difference between farm groups building a generating plant to serve their own needs, and the U. S. Steel installing a massive generating plant to increase its production. We believe that increasing America's capacity to produce is as important on the farm as in the factory.



The success of the REA pattern in rural electrification resulted in the Congress giving REA the assignment for the new rural telephone loan program.

REA does not own or operate a mile of line. The accomplishments of our borrowers as they operate their locally owned private enterprises are proof of the basic strength of democracy, and the free private enterprise system.

#### POWER SHORTAGES PERILING OUTPUT

New York Journal of Commerce  
September 21, 1951

Electric power shortages are now threatening industrial production not only in the Pacific Northwest but in many parts of the East and South. T. E. Marburger, Director of Materials and Equipment Division of DEPA, presented the following picture before a meeting of the Valve Manufacturers Association at Absecon, New Jersey, on September 20.

Pacific Northwest: This is the most critical area. The immediate outlook is for substantial reduction in the production of aluminum, magnesium, ferroalloys. Carolinas: Adverse water conditions are curtailing output of ferroalloys and aluminum. North Central region: The outlook is for a shortage of about one million kws by the end of next year. Gulf Coast-Texas region: Load growth along the seaboard, and in central and northwest Texas, has cut operating reserves to the point where dependable capacity will not be available in 1952.

Marburger said the 1951 electric loads and peak demands are running about 12½ percent higher than in 1950. The demand has gone up so rapidly that by the end of this year, "operating margins will be decreased below the danger point.\*\*\*" The shortages can be rectified by the end of 1953 if the electric power industry could obtain sufficient materials to carry out its planned program of providing 27.5 million kw. But, Marburger admitted, that was a big "if".

#### POWER SHORTAGES SPREAD, U. S. WARNS

AP dispatch in the  
Washington (DC) Post  
October 11, 1951

An official of the DEPA said yesterday that the Nation faced the possibility of a serious electric power shortage through all of 1952 and probably 1953. C. B. Beardsley, Chief of DEPA's Power Requirements Branch, said the outlook had become considerably darker since a few months ago when only two areas, the Pacific Northwest and the Southeast, were on the critical list. In an address before the Electrochemical Society, Beardsley said that in Pittsburgh some 80,000 kws of power used in making steel had to be cut off. Likewise, the production of iron alloys and aluminum in the South had been interrupted. The rapid load growth has caused addition of a large part of Texas, and a large area around the Great Lakes, to the danger list.



## DEMAND FOR ELECTRICITY

Excerpt from the 28th Annual Report of the Electricity Supply Commission (year ending December 31, 1950) held at Johannesburg, Africa.

The problem of power shortage is world-wide. Besides war losses, the world went short of normal replacements during the years when every major country's energies and resources were concentrated on the manufacture of arms. At the war's end time was needed for reconversion from war to peace production, and now production is retarded by a partial reversal of this process, caused by the rearmament of the great Powers and the consequent shortage, for industrial purposes, of plant, labour and materials. The universal shortage of power has a cumulative effect: for instance, power cuts in the United Kingdom affect the manufacture of plant for South Africa.

PARLEY URGED ON SHIFTING METAL PLANTS      Washington (DC) Post  
September 25, 1951

In view of the Northwest power shortage, Defense Mobilizer Charles Wilson on Saturday asked the Kaiser Aluminum Corporation, Reynolds Metals Company, and Aluminum Company of America to prepare plans by today on the feasibility of moving some aluminum producing facilities to Ohio or other areas. Industrialist Henry J. Kaiser reported "We conclude there are several alternative solutions to any emergency necessity of speeding up the production of additional aluminum." J. F. Fairman, head of DEPA, had no answer to the question: To what area would the plants be moved? "Frankly," he said, "we would like to know, too. There is no available power supply anywhere in the United States."

CHICAGO GLOOM TAXES EDISON'S      Chicago Daily Tribune  
POWER SYSTEM      September 27, 1951

Overcast skies which turned day into night in Chicago yesterday strained the electricity producing facilities of the Commonwealth Edison Company's system serving Chicago and northern Illinois. Output increase of the system was about 250,000 kws or over 10 per cent more than in recent normally bright days. The system's capacity now is 2,952,000 kw. Yesterday's load was about equal to the available capacity. Since the end of World War II, the system has been operating with little or no excess reserve capacity. Six additional units totaling 770,000 kw are now in various stages of construction. The company said yesterday's weather conditions "emphasize the importance of getting the new capacity on schedule."

REGION NEEDS UNITY ON A POWER PROGRAM      Editorial in  
The Spokane Spokesman-Review  
September 16, 1951

An electric power cutback is about to hit the Pacific Northwest. The demand for power at peak will exceed the present capacity of the



government and private dams during the winter months for the next few years. The Pacific Northwest needs more electric power to keep up with population and industrial growth. The business and commercial leaders who will gather this week under the sponsorship of the Pacific Northwest Trade Association might well tackle this problem. They ought to be able to formulate a multipurpose resource program to further the economic development of the area while resisting the encroachments of valley authorities, creeping socialism and bureaucratic dictation. The coming power shortage is only outward evidence of an economic and political challenge now facing the whole Pacific Northwest.

LOOKING AHEAD IN WASHINGTON

St. Louis Post-Dispatch  
September 30, 1951

When drought brought the Northwest power shortage, Interior was quick to authorize a rain making project. This is the first time any federal agency has sanctioned such a large rain project. Meanwhile, J. F. Fairman, DEP Administrator says the Northwest is by no means the only area facing power shortage this winter. The Pittsburg industrial areas has been short a month; in North Carolina two aluminum potlines have been closed and the Santee-Cooper power system in South Carolina has notified industrial customers that their juice will be cut 50 percent this winter. In the Southeast, steam-generated electricity is available but at prices higher than customers will pay. The Cleveland and Milwaukee areas probably will not be troubled this winter but power companies are calling for steel -- and not getting it -- to build generating plants to prevent serious shortages next winter.

DON'T SPREAD PROPAGANDA . . .

Editorial in the  
Jonesville (Louisiana) Booster  
September 7, 1951

We don't know how it got started but a few people around Jonesville are saying that they are afraid of REA co-ops because "they are owned by the government". To us that is just as silly as saying that FHA financing means your house belongs to the government and the bank or some other lending agency.

The Concordia Electric Cooperative, Inc., which serves most of this section with electric power, is owned by the local people who use its current and is run by a board of directors of local men who have been elected by its members. It does OWE MONEY to the REA, which is a government organization set up to loan money to such co-ops and to maintain some supervision to make sure that the money is being wisely used. (If you ever built an FHA house you know a government supervisor specified how close the joists and studs had to be--but that didn't mean the government owned the house. Neither does the government own the co-ops which have borrowed money from the REA.)



Whether such co-ops are the best means of supplying electric power to customers, we do not pretend to know. But we do know there are many farmers who had to do without electricity for years until a co-op was organized and began serving them. Those farmers think the co-ops are mighty fine.

But the government doesn't own them.

#### REPORT FROM KANSAS

Article by Joe Jenness in  
Co-Op Power  
August 1951

Damage estimated at \$200,000 was sustained by the 12 Kansas REA-financed systems during the mammoth flood in July. At Topeka, the substation supplying WIBW was covered with water taking the "Voice of Kansas", owned by the Capper Publications, off the air. In a dramatic editorial in the Kansas Farmer, former Senator Arthur Capper reversed his support of power company policy to prevent the building of flood control dams in Kansas. He now favors the Pick-Sloan plan of big dams and reservoirs in connection with levees and soil conservation practices.

The private utilities had taken the rich bottom land farms for their territory, forcing the REA systems to serve the hill farms. With their lines mostly intact, the co-ops gave permission for emergency connections, which allowed the power companies to wheel their power over REA lines to restore service to small communities. Kansas utilities fought flood control. Now the Kansas City Star and other influential papers have reversed support of the utilities on this question and are demanding that multipurpose dams be built.

#### PRINCIPLE OF INDEPENDENCE

Rural Electrification  
September 1951

After years of struggle, groups of co-ops in Alabama and Arkansas finally obtained approval of State bodies for steam generating plants. In the Arkansas decision, the Public Service Commission made recognition of the fundamental right of rural people to own and control their power sources. The principle of the right of electric cooperatives to borrow REA funds to build generating and transmission facilities cannot be challenged. It is challenged only by private power companies in attempts to preserve absolute monopolies over power supplies throughout their areas. The Alabama and Arkansas decisions are significant because the right of co-ops there were upheld and supply monopolies were broken. Power companies would be wise to give more consideration to the aspirations of their co-op customers for freedom and security.



REVENGE MOVE BY CO-OP CLOUDS  
MOBILE'S FUTURE

Editorial in  
Mobile (Ala.) Press  
July 15, 1951

The encroachment of the federal octopus has reached a dangerous point when a subsidized tentacle in Alabama reaches out to halt a progressive project which private enterprise wants to build. That's what we have in the attempt of the Alabama Electric Co-op to block a \$30 million steam electric generating plant the Alabama Power Company wants to build at Salco in Mobile County to meet growing demands for electric power. It will spend its own money. But the electric co-op wants a loan of over \$3 million from the REA so it can build a taxpayer-financed steam generating plant at Gantt in Covington County. Alabama Power objected to this loan so when it filed a petition to build the Salco plant, the AEC asked the Public Service Commission to block the Power Company project. The Commission should not permit this spite move by a federal-loan-seeking co-op to interfere with the economic growth and prosperity of Mobile and Southeastern Alabama.

A NEW ASSET FOR RUSK COUNTY

Editorial in  
The Ladysmith News  
Ladysmith, Wisconsin  
August 24, 1951

The Ladysmith News joins in congratulating Dairyland Power Cooperative upon completion of the Flambeau River hydro-electric station. In this modern world, there can be no progress without a source of power, and the generators of this new plant will provide that power for generations to come. It was the building of a dam on the Flambeau River at the present site of Ladysmith that caused it to grow from a tiny lumbering community into a city. We believe that in years to come the new Flambeau dam will provide further impetus for growth in all of the Rusk County area. The dam has been built. It will provide cheap and plentiful source of power beyond our lifetimes. It has created a new lake in Rusk County. These are important facts now to remember.

BRANNAN NAILS TAX ACTION

Cooperative Consumer  
Kansas City, Missouri  
August 31, 1951

Secretary of Agriculture Brannan assailed Senate finance committee action on August 29 to impose penalty taxation on co-ops. "If enacted into law," he said, "today's decision would reverse U. S. government policy of nearly 30 years' standing.\*\*\*\*\* Establishment of new cooperatives would be, for all practical purposes, prevented.\*\*\* The definition of profits has been distorted to include the savings resulting from group action."



## CO-OP TAXATION MOVES A LITTLE CLOSER

Public Utilities Fortnightly  
September 13, 1951

Prospects for the eventual imposition of Federal taxes on co-ops appear to be gaining ground. This does not mean that enactment is likely at this session. But the movement will gain more support in the next Congress where there may be a real chance of passing such a tax. The most significant aspect is that the proposal to tax co-ops was made by the Treasury last month. It had three suggestions. The one which seemed to appeal to the Senate committee calls for taxing the undistributed earnings of co-ops at regular corporate rates. Earnings paid out in the form of cash or merchandise dividends would be exempt.

Electrical World  
August 27, 1951

Comment on "Farm Electrification Week," by VP Alben Barkley:  
"Maybe the power companies are celebrating the near completion of the cream-skimming operations."

Excerpt from article by  
B. F. Brahaney, Pres., Northern States  
Power Company in the  
Public Utilities Fortnightly  
August 30, 1951

In the midst of the depression a Federal agency was born that hastened the day when all American farms would be electrified. This was the Rural Electrification Administration. The distribution cooperatives accomplished what no individual farmer could do. It made possible the building of farm distribution networks and the linking of these to the transmission lines of investor-owned public utilities, municipal plants, and Federal projects.

Since the dark days of the depression, farm income, and the national income, have steadily improved. Electricity has come to stay on the farms. What was once just an experiment is now an accepted necessity.

## REA REPORTS ON RURAL SERVICES

Jeffersonian Democrat  
Brookville, Pennsylvania  
July 26, 1951

The Jefferson Electric Cooperative announced they have brought electricity to about 75 percent of the rural dwellings in Jefferson County. Power supply will be the greatest problem, co-op officials say, adding that there is an increasing demand for electricity. In the 12 years since its organization, the cooperative has noted a rise in the average monthly consumption of electricity from 70.3 kwh to 130.7 kwh.



OVER 13,000 ATTEND REA'S ANNUAL SHOW

Glasgow Times,  
Glasgow, Kentucky  
August 23, 1951

Crowds totaling over 13,000 were present for the annual meeting of the Farmers Rural Electric Cooperative Corporation held at Cavalry Field. Mr. Jerry Voorhis, executive secretary of the National Cooperative League, principal speaker, termed rural electric co-ops as "the best investment the government has ever made." Commenting on the charge that co-ops do not pay any taxes, the speaker noted that the government cannot tax any enterprise or business that obligates itself to repay patrons in proportion to their patronage.

ELECTRICAL FAIR HIGHLIGHTS REA  
MEETINGS IN STATE THIS SUMMER

The Missouri Farmer  
August 1951

A traveling "Electrical Fair" will highlight most local REA co-op annual meetings through the summer. The mobile unit of trucks, trailers, tents, an entertainment troupe and a tent full of electrical appliances will or has played before 25 local co-op groups. The reason for the "Fair" in conjunction with these meetings, according to Julius Helm, executive secretary of the Missouri State Rural Electric Association, is that many REA annual meetings have outgrown the seating capacity of available local buildings. At Licking, headquarters for Intercounty Electric Cooperative, the fourth fair was staged June 25 and 26. Over 2500 urban and rural persons showed up the first night. Congressman Clare McGee, principal speaker, declared that, aside from soil itself, electricity is our greatest natural resource.

REA REPORTS 25% RISE IN FARM  
ELECTRIC USE

Electrical World  
August 13, 1951

Although there was a gain of less than 9% in the number of rural co-op customers during the fiscal year ending June 30, power use shot up 25 percent. REA reports that borrowers from the agency are now distributing twice as much power as in 1948 and three times as much as in 1947. Loans approved during the fiscal year totaled \$221,734,000 of which 23% went for generation and transmission facilities. Such loans now account for 18% of all REA loans. The government was repaid about \$37 million in principal and \$14.5 million in interest.

Excerpt from American Farmer,  
ABC Network Program  
September 8, 1951

Farmers who are thinking of doing wiring or plumbing during October, November or December will have a better chance of getting the necessary materials to do the job if they place orders now. Under



the Controlled Materials Plan, priority will be needed to get delivery of electrical wire, plumbing supplies, and similar materials during the last three months of this year.

Both REA and FMA folks in the Department are emphasizing the importance of farmers foreseeing their needs. Farm users needing only small amounts of these materials...that is less than 200 pounds of copper and 2 tons of steel...can certify their own priority by going in now and placing orders for the wire or pipe needed. However, those needing larger amounts of copper or steel must apply to State FMA offices for an allotment of the critical materials.

### TELEPHONES

#### PHONY BUSINESS

Reader's Digest  
October 1951

Nearly two years ago, the Villisca, Iowa, Farmers Telephone Company applied for a \$175,000 loan from the REA. Only after 15 months, was the company notified it could have the loan but not for \$175,000. Instead, REA asked Villisca to accept \$313,000 with the proviso that it spend more than originally contemplated and turn back \$20,800 to an REA engineer for supervision. Villisca rejected the loan and notified REA that it would borrow \$150,000 from a private source. Nevertheless, REA announced a few days later that it had approved the \$313,000 loan. ---Adapted from Red Oak, Iowa, Express, as quoted in the Congressional Record.

#### WHOSE BUSINESS IS "PHONY?"

Remarks of the Honorable W. R. Poage  
Congressional Record  
September 27, 1951

In its October issue, in an article "Phony Business" the Reader's Digest has raised the question of honesty and good faith of the REA. Basically, the complaint is that REA has asked the Villisca, Iowa, Farmers Telephone Company to borrow more money than it requested. This is undoubtedly true, and in the absence of any explanation might be the basis of condemnation. On August 15, 1951, Senator Gillette inserted in the Congressional Record a statement covering all the details of this transaction, refuting the only positive statement of improper action. REA is prohibited by law from making loans unless two conditions are met: First, the proposed service shall be available to the widest number of rural users. Second: the REA Administrator must certify that in his judgment the loan will be repaid with interest within the specified period, usually 35 years. In the case cited, REA felt that from the standpoint of loan security, the larger loan would be safer. REA also proposed to lend 7% of the construction costs to cover engineering fees, not for REA engineers, but for outside engineers to be selected by the borrower.



RTA MOVIE COMPLETED

Co-Op Power  
September 1951

With a local Farm Bureau picnic as the setting for the celebration of a telephone co-op's completion, filming of the Rural Telephone movie by the USDA motion picture staff has been completed. The picture features members of the Winnebago telephone and electric co-ops among the principal characters. The full color and sound film, using about 50 local Iowans, was begun last March when the blizzards were shot. During the summer, cameramen filmed line crews as they began rebuilding of areas in the phone co-op system. The film follows the growth of a co-op from its inception through construction to completion. About 15 percent of the picture was synchronized with sound during the actual filming. A running narrative and background music score will be added after the final cutting and editing is done in Washington. The picture will be released this fall.

REA TELEPHONE PROGRESS

Telephony  
August 18, 1951

REA is desirous of straightening out an erroneous interpretation of fact which appeared in this department several weeks ago. This was the critical publicity concerning the loan applied for by an Independent telephone company at Villisca, Iowa, which was subsequently withdrawn and the allocation refused by the applicant. It was stated that one of the reasons the company rejected the loan was because a considerable portion of it would have had to be paid over for REA engineering. This could not be true as REA engineers already are paid by the government. The true fact is that a certain amount of the loan was earmarked for engineering services. This would have to be paid by the borrower unless he did the work himself. The amount specified represented REA's best judgment as to what the necessary engineering would cost. But the implication that REA was trying to force loan money on the borrower, to be kicked back to REA engineers assigned to the proposed system, is most inaccurate and was not intended by this writer.

FLORIDA PUBLIC UTILITIES COMMISSION

Telephone Engineer Newsletter  
September 21, 1951

Molino Telephone Company received okay to boost rates upon completion of proposed improvements. Company received \$50,000 REA allocation.

RURAL TELEPHONE FORCES INCREASE

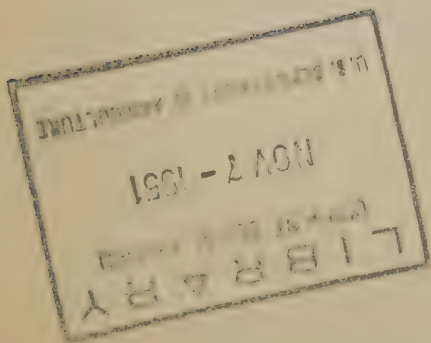
Oklahoma Rural News  
September 1951

That merchants of the towns recognize the need for area telephone coverage in Oklahoma came from an unnamed farming community which



refused to allow one of the larger telephone companies to remodel and enlarge its town service unless it gave similar service to all residents in the trade territory. Resentment is growing among Oklahoma rural people without phones against failure of existing companies to provide rural service, especially in view of the fact the companies opposed plans for co-ops to serve thousands of unserved farms. Governor Murray has held one meeting with sponsors of the 1951 state telephone bill, and others representing farmers. A survey of farmers in Oklahoma since the veto of the rural telephone bill last June indicates that interest has increased several-fold.







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UNITED STATES DEPARTMENT OF AGRICULTURE  
Rural Electrification Administration

November 1951

P R E S S   D I G E S T

A Sample of Newspaper Stories and Comment Regarding the  
Rural Electrification and Rural Telephone Program

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ELECTRIFICATION

GOVERNOR ORDERS POWER SUPPLY SURVEY

Arkansas REA News  
September, 1951

Governor McMath has requested the Arkansas Public Service Commission to make a full investigation of the state's power supply situation. He said he had received reports of industrial plants passing Arkansas by because of power shortage and high rates. C. H. Moses, President of Arkansas Power & Light Company, says exhibits and testimony taken by the Commission during the application of the Arkansas Electric Cooperative to build a \$10½ million generating plant and transmission system in northwestern Arkansas showed the region, including Arkansas, probably better off than any other part of the nation from the standpoint of power supply. F. M. Wilkes, President of Southwestern Gas & Electric Company, declared the Governor has been challenged consistently to name a single industry which had failed to locate in Arkansas because of a shortage of electricity or power rates.

RURAL ELECTRIC CO-OPS CALL  
FOR MORE LOW-COST POWER

Montana Farmers Union News  
September 26, 1951

Delegates to the Montana State Rural Electric Cooperative Association annual meeting on September 10 and 11 urged rapid development of Montana's hydro-electric resources. Mr. Harold Ebaugh, secretary of the association said that through concerted activity of the rural electric cooperatives, power costs have been reduced from 9 mills to 5½ mills in the last 4 years although private power company officials had said in 1947 that REA rates would be raised instead of lowered.

REA ACTS TO SETTLE DISPUTE

Public Utilities Fortnightly  
September 27, 1951

The REA in Kentucky has moved to bring a peace settlement in its power expansion fight with the Kentucky Utilities Company. East Kentucky Rural Electric Co-op which is building a \$30 million generating plant in Clark County has withdrawn its protest against KU's expansion at its Green River plant in Muhlenberg County.



The President of East Kentucky urged KU to drop its protest against the Clark County project. In exchange for that the co-op will drop its court complaint against KU's build-up plan at Tyrone. As soon as the protests are withdrawn, REA and KU can get to work and provide power needed by Kentuckians, the co-op president said.

**BRYANS ATTACKS FLOOD CONTROL PROGRAM  
AS STEP TO NATIONALIZE POWER**

Philadelphia dispatch in  
New York Times  
September 19, 1951

At the 44th annual conference of the Pennsylvania Electric Association, H. B. Bryans, President of the Philadelphia Electric Company, accused the public power bloc of trying to sell the country "under the guise of flood control and soil conservation" the proposals for the construction of nine colossal Federal power projects. These would cost at least \$60 billion, would largely parallel existing lines, and require great quantities of scarce materials needed elsewhere. The pattern of the past is that dams approved for flood control are ultimately turned into electric power plants, Bryans declared.

Another speaker, George M. Gadsby, President of Utah Power and Light Company, charged the public power bloc has the full backing of the administration in its attempt to create a national power system. The move is a long step toward socialized economy, he added.

**FINAL DECISION ON ROANOKE RAPIDS  
WILL BE MADE BY USSC, JUDGE SAYS**

Electrical World  
September 17, 1951

The Supreme Court likely will decide whether the Roanoke Rapids power site in North Carolina will be reserved for federal development or opened to private development by VEPCO. During the arguments on September 5, the 3-judge tribunal directed its questions at two points: Has Congress expressly reserved the 11 dam sites in the comprehensive Roanoke River Plan for federal development? Does Interior have a direct interest which would qualify that department to protest granting of the license? On point two, VEPCO and the EPC argued that Interior's interest is limited to marketing of power from federally constructed dams. Interior counsel argued that the Secretary must guide development of hydroelectric projects since he is charged with marketing the power.

**FEDERAL POWER PROJECTS**

Public Utilities Fortnightly  
September 13, 1951

Discussing the elements of a national power policy, James W. Parker, President of Detroit Edison Company, told an American Farm Bureau Federation committee in Chicago that the government should take over only where industry is unable to do the job. He said that REA has done much good and the government should assist in remaining instances where real rural demands cannot otherwise be met, and added that



electric companies do not believe the government should remove itself from large-scale activities such as flood prevention and reclamation. Parker then outlined the basic principles of national power policy for which the power industry stands:

- 1 - Congress should set national policy - not officeholders
- 2 - Government should not do for the people what they are prepared to do for themselves; neither should it spend money on services already being furnished through private investment.
- 3 - Local autonomy must be preserved and local self-rule be extended with federal services impinging only where necessary.
- 4 - There should be equality of treatment for all its citizens. He added when government power is marketed, there should be no discrimination in rates charged customers of government-supported systems and those charged customers of investor-owned systems.

REA CO-OPS ARE TRANSFORMING  
THE OZARKS

Editorial in the  
Bull Shoals Gazette  
Forsyth, Missouri  
September 1951

A vast change is occurring in the social and economic life of the Ozarks. Attend one of the electric "Fairs" and view the thousands who believe in their own REA co-op. Electricity for the farm was the immediate objective of the REA. Today, cooperative ownership of electric power,-- generation, transmission and distribution of that power,-- the feel and zest of actual ownership,-- has become the dominating part of the REA movement. REA today affects the minds and souls of its members, makes them warriors for the cause of cooperative public power. This is a conquering army that will make the Ozarks into a better world.

ELECTRIC LIGHT BURNS 45 YEARS,  
IOWA WOMAN CLAIMS

Humboldt (Iowa) UP dispatch in  
New York Times  
September 24, 1951

Elizabeth Burley cannot understand why an electric light bulb in her dining room continues to burn. Electricians have tried to buy it to discover the secret, but Miss Burley refuses to sell. She bought the bulb when her house was wired in 1906 and it has burned brightly ever since.



Comment from  
Electrical World  
September 17, 1951

Japan has reorganized its power industry along private-enterprise pattern of U. S. Nine integrated but independent companies, subject to a national public utilities commission, have replaced the former generating and transmission company and nine distributing companies regarded as "monopolistic."

### TELEPHONES

TWO YEARS OF THE RTA

Telephone Engineer Fortnightly  
October 1, 1951

This month marks the second anniversary of the RTA. Those of us in the industry know that during the past two years we have expended considerably more than the federal government for improving rural service. We think events bear out our contention that private industry could do the job faster than the government. Naturally RTA is quite sensitive about the charge they insisted on over-loaning. They say the added amounts give area coverage and build a system that will give good service during the 35-year loan period. There is a tendency on the part of RTA to attempt to bring about a consolidation of small companies. In this lies the greatest threat to existing companies. The Administrator did comply with the law that during the first year in processing applications priority should be given to existing telephone companies. Another disquieting development was the introduction of the so-called "Model RTA Bills" in state legislatures which gave telephone co-ops many advantages over existing companies. Those of us in the industry must admit that the discussion about the need for improved rural telephone service which preceded and followed RTA legislation, has brought about a vast improvement in such service. Another encouraging development has been the expansion of plans for financing improvements for rural service through the independent supply companies of our industry, and through banks and insurance companies. It must be submitted that RTA can be used to the detriment of existing telephone companies.

TELEPHONE COMMENT

Telephony  
September 29, 1951

The Wall Street Journal recently carried a story telling how REA will try out radio to replace wires for rural telephones. Aim is to learn whether a radio communications setup is cheaper and more efficient for farm folks than present installations. REA officials think radio may prove adaptable to small farm settlements 10 miles



or so from an exchange if 10 families want service. With radio links the homes of the subscribers would be inter-connected with wire as usual. Instead of leading into a central exchange, the wire would lead into a radio station. Estimated cost for radio and terminal equipment and about 10 subscribers is around \$3,000. We do have some doubts that an installation of this type can be installed within the estimated amount of money. It is the writer's opinion that radio to provide rural telephone service will prove only in cases of excessive distances or where wire cannot be strung economically.

FARM READERS "SEE RED" SO RED OAK  
EDITOR CHANGES TUNE ON RURAL  
ELECTRIFICATION LOANS

IRECA NEWS  
Des Moines, Iowa  
September 1951

A few weeks ago a Red Oak newspaper used the Villisca REA telephone loan issue as a springboard for a verbal blast at the entire REA loan program. IRECA News suggested it would probably make many rural readers "see red". The newspaper led off a later editorial: "There are few people who won't agree that REA has accomplished a fine thing in electrifying our farms and that by its establishment it was done years before it might otherwise have taken place. In other words, most of us approve of the idea and the greater portion of the things which have been done." Apparently the Red Oak editor found that his farmer-readers did "see red."







1933  
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UNITED STATES DEPARTMENT OF AGRICULTURE  
Rural Electrification Administration

December 1, 1951

P R E S S   D I G E S T

A Sample of Newspaper Stories and Comment Regarding the  
Rural Electrification and Rural Telephone Program

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E L E C T R I F I C A T I O N

REA EXPECTS BIG INCREASE IN POWER  
USE BY FARMERS

AP dispatch in  
Raleigh News and Observer  
October 21, 1951

The REA thinks it is over one hump, but expects another shortly. It thinks the peak has been reached in the installation of new lines. Last fiscal year 117,000 miles were put into use. This was a drop of 35 percent from the previous year. The new hump is expected in the amount of power delivered to existing lines. It is explained that most farms are now on power lines. But in many cases, farms on the lines do not yet have a full quota of appliances. The amount of power delivered took a 25 percent jump last year, and has doubled since 1948.

NORTHEASTERN REA CO-OPS  
DISCUSSING NEW POWER PLANTS

Burlington (Vt.) Free Press  
October 18, 1951

Brattleboro - The Northeastern Association of Electric Co-ops at its semiannual meeting here will discuss improvement of present power supply of the 15 co-ops. Some proposals involve cooperation with municipalities or commercial power companies. According to Frank Sahlman, president of the association, northeast co-ops pay 50 to 100 percent more for power wholesale than the average for all REA co-ops in the country. The 15 member co-ops serve almost 25,000 members, mostly farm families.

FARMERS FIGHT

CO-OP POWER  
October 1951

REA patron farmers in Minnesota are continuing their fight to prevent construction of a 230,000-volt transmission line which Northern States Power Company is seeking to build from Minneapolis to Granite Falls. Farmers opposing the line advocate government transmission of Missouri Valley electric power, charging that the Northern States line would interfere with plans for a transmission grid which have been made by the Bureau of Reclamation. Northern States is suing farmers along the right-of-way for the right to condemn land for the line. H. C. Cummins, President of Northern States, stated the reason



they had delayed meeting the power shortage in the area was because of the shortages of men and materials following the war ending in 1945. He also denied at court hearings that Missouri Valley hydro-electric power was an issue in the case.

HALSTAD REA PREPAYS FEDERAL  
ELECTRIC LOAN

Norman County Index  
Ada, Minnesota  
October 18, 1951

The Red River Valley Power Cooperative of Halstad made a \$75,000 loan prepayment to Administrator Wickard at the recent dedication of the Minnkota power steam station at Grand Forks. This payment makes a total of \$142,000 the co-op has paid in advance on its loan. Red River is now serving 2854 members.

RURAL INDUSTRIES

Alabama Rural News  
October 1951

Because power, transportation and communications were available only in the cities, industries had little choice but to locate there. With the turn of the century, trucks and the telephone solved the transportation and communications problems. But it wasn't until 1935, when the rural electrification program came into being, that power became generally available to rural areas. Today electric power makes it possible for industries to locate in small communities and farming sections of our country. This is wholesome for the nation particularly now when decentralization of industry is so vital to national defense. Sawmills, seed corn plants, storage lockers, quarries, motor courts, food processing and machine shops are a few of the rural industries that have come to the rural areas of Alabama and other states because of co-op power.

NORTH PLATTE LIGHT AND POWER BECOMES  
DEBT-FREE: RATE REDUCTION ANNOUNCED

Public Power  
October 1951

Nebraska public power passed a new milestone last month with the completion of payments on the \$1,800,000 bonded indebtedness of the North Platte Municipal Light and Power. Simultaneously with the announcement of the utility's debt-free status, North Platte Board of Public Works put into effect a new reduced rate schedule which will mean savings of approximately \$100,000 per year for its consumers. In nearly 11 years of operation, Municipal Light and Power has increased its customers from 4000 to 6000 and sales of electrical energy have trebled.

PHASES & ANGLES

Electric Light & Power  
October 1951

Congress, in spite of frequent warnings by both the privately and publicly owned utility groups in the Northwest, has failed to provide for construction of enough new Federal hydro developments and the Interior Department has blocked or hindered starts on nonfederal plants. With a Northwest curtailment in effect, a power collapse



imminent in the entire Southeast, and with shortages exceeding 1,500,000 KW certain for latter 1952, NPA has cut back the electric industry material allotments so drastically that soon no new generating project will be on schedule. This criticism overlooks the fact that the plants were not ordered soon enough -- Ed.

NO CUT NOW IN PACIFIC NORTHWEST  
POWER OUTPUT

Portland (Ore.) dispatch in  
Wall Street Journal  
October 24, 1951

A check of water supplies for generation of electricity in the Pacific Northwest indicates no cutback of electricity at least for a few days, J. H. Gumz of the DEPA announced. Everything depends on the weather in British Columbia, at the headwaters of the Columbia River, Mr. Gumz added. If a sudden freeze sets in, water flowing from tributaries into the Columbia will be shut off like a faucet. More than half the Columbia River's drainage area above Grand Coulee Dam is in Canada where the weather is getting colder. BPA reported about 70,000 feet of water passed Coulee Dam yesterday. On September 28 only 58,000 feet were available. Water at Coulee can drop as much as 1500 feet daily so it doesn't take very long to be where we were late last month, Mr. Gumz noted.

COOPERATIVES WIN CATHOLIC BACKING

Boston dispatch in the  
New York Times  
October 23, 1951

A nationwide survey of social policy in respect to the cooperative movement in this country was called for today by the National Catholic Rural Life Conference. The conference went on record in favor of co-ops as a legitimate form of economic activity as long as they were organized along democratic lines. It regretted the confusion that had arisen from misunderstanding by critics of co-op as well as from the use of the name cooperative in connection with organizations not truly such. The directors asserted that the existence of monopolistic trends is just as undesirable among cooperatives as among other forms of enterprise. Also the directors declared that American social policy should favor efficient family farms and assist them in maintaining their status against encroachments by corporate and collective forms of agriculture.

TELEPHONES

THE RURAL TELEPHONE PROGRAM

Statement by Sen. Lister Hill in  
Congressional Record  
October 20, 1951

The telephone loan program has made a good start in the brief time since its establishment. Already telephone bells are sounding in farm homes. Amid all the shouting about socialization, there are contradictory complaints that the REA telephone program has accomplished nothing while



costing the taxpayer great sums of money. By mid-October REA had made telephone loan allocations totaling about \$48,800,000 to 133 borrowers. As of early September 84 borrowers had selected engineers, 40 had submitted area coverage plans for approval and 17 were "all ready to go" with central office equipment. By the end of September actual advances total over a million dollars had been made to 17 borrowers. This to my mind is substantial progress for less than two years.

PREVIOUSLY UNREPORTED ITEMS SHOW  
FAIRLY SUBSTANTIAL PROGRESS IN  
CONSTRUCTION

Telecommunications  
October 29, 1951

Previously unreported is fairly substantial progress by REA farm telephone borrowers toward getting facilities into actual operation. Three construction contracts have been approved with work under way on the Eastern Rowan Telephone Company, Granite Quarry, North Carolina, while construction is to begin soon on the Winnebago Co-op Telephone Association, Thompson, Iowa, and the Farmers Mutual Telephone Company of Shellsburg, Iowa. Among the companies doing substantial force account construction are the Fredericksburg & Wilderness Telephone Company of Chancellor, Virginia, the first borrower to cut REA-financed facilities into service; the Navasota, Texas, Telephone Company, and the New Lisbon, Indiana, Telephone Company. Borrowers which have force account construction under way or about to start include: Santa Fe Telephone Company, Melrose, Florida, Mutual Telephone Company, Sioux Center, Iowa, which has completed its building and has some poles in the ground; Pine Island, Minnesota, Telephone Company which has most of its poles set; and Wilkes Telephone & Electric Company of Washington, Georgia. Bids have been opened or are due to be opened by the Florala, Alabama, Telephone Company and the Eureka Telephone Company of Corydon, Indiana. It is also understood that 3 Georgia organizations have invited bids. REA sources take the position that while there have not been extensive construction starts, the program is proceeding at a satisfactory pace in view of materials shortages.

FIRST WORK UNDER REA FINANCE  
PROGRAM IN U. S. UNDER WAY HERE

The Salisbury (N. C.) Post  
September 30, 1951

The first construction \*to start in the U. S. under the REA's finance program for the expansion of rural telephones began in Rowan County Thursday. Eastern Rowan Telephone Company started construction that will extend service to 1500 customers. REA's loan of \$343,000 to this company was way down the list in order of approval. The fact that it is first in the country to start construction\* is a tribute to the telephone know-how of its officials who have an accumulated experience of 67 years in the business. Another factor in the head start was the president's decision to order critical materials in advance of REA's approval of the loan. The area served by Eastern Rowan Telephone Company has a potential of 3,000 telephone users.

\* A substantial overstatement. - Ed



Comments by Gov. Johnston Murray  
at USITA 54th annual convention in  
Chicago, October 15-17  
Telecommunications  
October 22, 1951

Referring to his veto of the rural telephone act passed by the Oklahoma State legislature, the Governor pointed out that this act appeared not only to give the Federal government the right to invade this field, but to give to the entities authorized to be created under the terms of the act special privileges not enjoyed by other citizens engaged in like business. He declared he would not look with favor upon an act affecting the telephone industry or any other industry that attempts to set one part of the industry aside with special privileges and exemptions.

POPULATION DISPERSAL GRAVE THREAT  
TO SMALLER COMPANIES

Comments by Ray Dalton, retiring USITA  
President at 54th annual convention in  
Chicago, October 15-17  
Telecommunications  
October 22, 1951

The result of the steadily increasing dispersal from larger cities to rural areas is a crescendo of technical complication and change. To about 5000 of our smaller Independents it is a grave threat as they are unable without outside assistance to handle wholesale changes from simple rural telephone requirements to the complex developments. There is the tremendous challenge of universal toll dialing and universal toll billing. The "miracle of microwave" will change our industry faster than most of us realize. No doubt we shall continue to build new pole lines for some years but they are becoming obsolescent. The familiar crossarm and bracket leads will take their place with sailing ships and horsedrawn wagons.



Comments by Hon. John F. Kennedy  
at 10:15 a.m. on the committee in  
Chicago, October 15-16  
Telecommunications  
October 15, 1952

Following is the text of the report prepared by the  
Committee on Agriculture, the Committee on Labor and  
Human Resources, and the Committee on Education and  
Labor, in response to the request of the Senate  
Committee on Labor and Human Resources, in October 1952, to  
conduct a study of the labor market in the United States  
and to report on the results of the study to the Senate  
Committee on Labor and Human Resources.

Comments by Hon. John F. Kennedy  
at 10:15 a.m. on the committee in  
Chicago, October 15-16  
Telecommunications  
October 15, 1952

Comments by Hon. John F. Kennedy  
at 10:15 a.m. on the committee in  
Chicago, October 15-16  
Telecommunications  
October 15, 1952

The report of the Committee on Agriculture, the Committee  
on Labor and Human Resources, and the Committee on  
Education and Labor, in response to the request of the  
Senate Committee on Labor and Human Resources, in October  
1952, to conduct a study of the labor market in the  
United States and to report on the results of the study  
to the Senate Committee on Labor and Human Resources.

